

Mayor's State of the City Address 2010

February 1, 2010

Durham City Council Chambers

Good evening! It is my distinct pleasure to welcome you to my Eighth Annual State of the City Address.

To my fellow council members, fellow elected officials, City staff, business and community leaders, and others who are present – welcome and thank you for being here tonight. I am honored by your presence and continued support of this community.

Also, a special "thank you" to my fellow residents who are viewing us on Durham Government TV Cable Channel 8 and on the City of Durham's [Web site](#).

Some of you joining us via cablevision may have just viewed the City's Annual Review of 2009 – a snapshot of significant happenings in the city of Durham. It has been a year that clearly showed that significant national happenings on Wall Street can have an impact on what happens on Main Street in any city. Despite the financial and economic challenges faced by many across the United States, we, here in Durham, have been fortunate – as shown in the Durham Annual Review, and as I will discuss tonight.

First though, as I begin my fifth two-year term, I want to thank you for the honor to serve as your Mayor during this pivotal time in the history of our country, our state and our city.

Last year, as I stated in my speech, we had to make some tough decisions, as we set our priorities for our city. We were innovative and creative with our resources as we focused on the delivery of the city's core services. We found ways to save money and provide services more efficiently.

While service impact was minimal with a few adjustments, 14 employees were laid off. It is my hope, and I'm sure the hope of my colleagues, that this will be a year of no layoffs, but also that all of our employees will continue to work to be more efficient in the delivery of City services.

National rating services rank North Carolina and Durham among the top places about which they felt optimistic, and are likely to lead the rest of the country in economic recovery. That's good news for Durham, with our AAA bond rating from all three bond ratings agencies.

Companies are still choosing to call Durham home. Just last year, companies such as Burt's Bees, James Scott Farrin, Grassroots Biotechnology and Mind Works Multimedia moved their headquarters to Durham bringing new jobs with them in many cases. Last week ACW Technology selected Durham as the location of its first manufacturing facility in the U.S., with plans to invest \$4.9 million and create 155 jobs in the next three years.

Looking at what happened in Durham last year, we have every reason to be proud:

- Durham continued to show our commitment to transportation with the opening of the new Transportation Center in February and the dedication of the Durham Train Station in July. Just last week the White House and the NCDOT, chose the Durham Station for Ms. Lisa Jackson, administrator for the U.S. Environmental Protection Agency to announce more than \$500 million in federal economic stimulus spending for high speed rail in North Carolina.
- Durham completed two historic renovations –the historic Durham Athletic Park, which held its grand opening in August and;
- The Holton Career Resource Center, which also opened in August, is simply an amazing renovation of the old Holton Middle School that is living testimony to how historic buildings can continue to serve the community. Community partners, Durham Public Schools, Duke University Health Center and the County of Durham worked with the City to make this \$16 million project a jewel in Northeast Central Durham.
- Progress was made with the Historic Parrish street project unveiling of six new historic markers as part of the project that commemorates Black Wall Street's legacy and spur economic development along the street.
- Durham opened its first Skateboard Park to the delight of many youngsters who enjoy the sport and the art of skateboarding.
- "Green" continued to be "our color" as the City incorporated environmentally friendly practices into our building and in our every day work. In fact, the City's Fleet Management Department was recognized by Government Fleet Magazine as one of the best green fleets in North America. Congratulations to Department Director Kent Cash.
- And finally, the City's Durham Performing Arts Center, which won rave reviews and attracted hundreds of

thousands of visitors, reaching a milestone 250,000 visitors in December. DPAC, with its great shows and concerts, has indeed contributed greatly to the downtown revival and has exceeded our first -year revenue projections.

Neighborhood Development

As many of you know, the City's has made great strides in the redevelopment of downtown, and as many of you might recall, we've intentionally set our sights on the revitalization of neighborhoods around the center city – specifically Northeast Central Durham, Southwest Central Durham and Rolling Hills/Southside, which we'll talk about later.

Plans were also developed for the enhancement of West Chapel Hill Street; Fayetteville Street; North Mangum Street at Old North Five Points; East Main Street and Angier/Driver Intersection, five of the city's major gateway corridors. I am hopeful that we will find funding to begin the implementation of some these corridor designs.

There were many partnership developments:

- The NECD Adopt-a-Neighborhood for Development program was supported by two corporations – RBC and Kerr Drugs.
- Six Neighborhood Plans for NECD were completed in 2009.
- East Durham, Hoover Road, Wellons Village, Old Five Points, Albright Eastway and Cleveland Holloway.
- In Southwest Central Durham, the 32-unit Maplewood Apartments for the elderly was completed last year and will have its open house in the coming weeks. This project sits on land donated by the City and financed in part by a \$500,000 grant from Duke University, and is a partnership between Self Help, Durham Community Land Trustees, the City and DHIC, formerly known as the Downtown Housing Improvement Corporation.

I am proud to say that Eastway Village (formerly Barnes Avenue) completed its final phase of the 48 unit complex. Right now, only five condominiums and one single-family home are left for purchase. In March, the Eastway Village Homeowners Association will assume total self governance of the Home Owners Association Board of Directors. From Barnes Avenue to Eastway Village – We've come a long way!

Public Safety

For years, reducing our crime rate has been at the top of our agenda. I am pleased to say that the overall crime rate has been decreasing, which during tough economic times you might think would be just the opposite. While our numbers for 2009 are preliminary, we're seeing slight drops in the total number of property and violent crimes. We ended 2009 with 21 homicides, the second lowest number in the past 8 years.

Again, even one homicide is one homicide too many. But looking at the big picture, Durham is trending in the right direction with the crime rate, the number of crimes per 100,000 residents, dropping significantly since 2000 with violent crime down by approximately 26 percent and the property crime down by more than 30 percent.

Finally, we as a city cannot overstate each and every citizen's role in helping to decrease crime. Your support of National Night Out continues to lead the country in participation with thousands of Durham residents sending a message that crime will not be tolerated. The Durham Police Department was ranked # 9 nationwide among hundreds of similar sized cities who observed America's Night Out Against Crime.

Chief Jose Lopez recently announced a new initiative that emphasizes the Police Department's goal to involve the community. Project Safe Neighborhoods will kick off a new project called: Safety in Numbers: Can We Count You in?, chaired by Duke Football Coach David Cutcliff and NCCU basketball coach LeVelle Moton. Coach Moton joins us tonight, and Coach Cutcliff is on the road recruiting. (Ask Coach Moton to stand.) This far reaching campaign aims to mobilize our community against gun violence. Thanks to both of you for leading this important fight against crime.

Transition to 2010

From the economy, to downtown development, to changes to our inner city neighborhoods, to the crime rate, the Durham of 2000 and the Durham of 2010 is like a tale of two Cities. As we begin a new decade, our areas of focus must continue to grow, and touch the lives positively, of citizens every day – through our safe neighborhoods; by access to good jobs; and by focusing on regional issues, such as transportation and natural resources.

Neighborhood Revitalization

I continue to believe that strong neighborhoods make strong cities.

We must continue to recognize the symbiotic relationship between our downtown, which we've seen thrive over the past few years, and our neighborhoods. We must also be more proactive in improving the curb appeal of our city. How our city looks has many social and economic impacts on how we develop and grow as a city.

I am also convinced that it is crucial that the City continue its revitalization efforts with the Rolling Hills/Southside community. Our experience with Barnes Avenue shows that neighborhood revitalization is much more complex and difficult than downtown revitalization, but it can be accomplished.

This 125-acres tract of property that oversees downtown Durham and touches the outskirts of the American Tobacco Campus must be revived. It will require the steadfast resolve of the City Council, the City administration and the community to make this happen. We can ill afford as a city, to allow this neighborhood to remain blighted. There is too much of our city's history tied to this area, and it is one of the most prominent sites adjacent to downtown. To not redevelop and revitalize this area, in my opinion, would be analogous to continuing the environment we saw for many years of downtown Durham and the tobacco factories that sat vacant and boarded up for many years until there was both a public and private resolve to move for their revitalization. We must remain open to constructive criticism, but also remain vigilant and know that there are those who would criticize for the sake of criticism, and whose only goal is to kill or stop the development from moving forward.

With the help of the Center for Community Self Help, the City is well on its way to setting the stage to begin the redevelopment process. Led by Developer McCormack Baron Salazar, the steering team is preparing a Redevelopment Plan that outlines roles and responsibilities as we move toward the implementation phase for the proposed development that will lead to more than 300 mixed-income rental units and 128 owned homes.

Jobs

Affordable housing has and will continue to be one of our Council's guiding goals. For many of us though, we need to have a job in order to afford a house. Just last week, North Carolina's unemployment rate hit an historic 11.2 percent, the highest ever for our state, and the eighth worst in the nation. Even though some economist are saying that the recession appears to have ended last year and that Durham could very well add 4,000 jobs, the national impact has been devastating. That is one of the reasons that President Barack Obama called upon our nation's cities to actively solicit ideas from citizens on how we could all work together to get our cities, our states, and our nation back to work.

On December 9, at the suggestion of the White House, I, along with many other Mayors across the country, hosted a Community Job Forum, a town-hall style meeting that involved local small business persons, community advocates and other interested citizens. It was a chance for all of us to come together and share ideas and experiences on job creation and sustainability. Of particular interest was finding ways to jump start the manufacturing and construction industry that has been hardest hit by the slow down of real estate development. Also, there was a common view that the jobs of the future will be driven and created by small businesses and "green" businesses.

While many of the suggestions were sent to the White House, as they requested, I was really intrigued by one recommendation that encouraged the City to tap into upcoming opportunities in the "green" technology and energy fields, such as bio-fuels production.

The City's Economic and Workforce Development Office will actively pursue public and private funds to train and employ Durham residents in this area to help us become more environmentally friendly as well as nurture small businesses.

I have asked the City Manager and our Economic Development Staff to target ways, this year, to put Durham residents to work – to continue to build upon our successes.

- Since July 2008, the city has committed more than \$3.9 million to businesses throughout Durham, creating 611 jobs, and \$122 million in property improvements.
- We've used more than \$1.3 million in Economic Stimulus dollars to help create 292 temporary positions in private companies, not-for-profit entities, city departments and other public agencies.
- And the city has helped save 305 jobs by providing training grants, using federal dollars, to train employees at 10 Durham businesses since July 2008.

Also, about \$2.5 million federal dollars have been used this year to create or save 284 full-time jobs. Economic Stimulus dollars are definitely benefitting Durham.

Notwithstanding all of this, I recognize that unemployment is still taking a heavy toll on Durham citizens. We must support all efforts aimed at the creation of jobs in Durham, which will include our role in making Durham the kind of city where employers want to locate and permanently remain. We must work hand in hand with our business community, our neighborhoods and our colleges to create an environment and opportunities for the unemployed and the under employed Durham citizens to be placed in these jobs.

To this end, the city government will strengthen its alliances with the private sector to identify and attract high

growth industries and burgeoning small business enterprises to Durham. This will include the continued and responsible use of incentive programs for businesses that are preparing to create jobs here for Durham residents.

We will continue to invest federal allocations along with some local resources to support employers and residents with workforce development programs aimed at making our residents more qualified to work in these industries.

I think that we need to get a better skills profile of who is unemployed in our city. I will ask the City staff to research more fully the skill profiles of Durham's unemployed population. We would then use these results to work with our private sector partners to attract industries that can benefit from the skills of Durham's unemployed workforce.

I also have asked the City Manager to explore the possibility of creating our own jobs training program on a limited basis geared towards construction and skilled trades, with the training being provided by the private sector and/or public institutions.

This effort can be helpful for citizens who face specific obstacles for gainful employment. Due to difficult economic times, our challenges for providing job opportunities are similar to ones going on throughout the country. However, no matter how steep, our government cannot, and will not, cower to these challenges.

Youth

In the midst of all of this, we must constantly remember our youth. As in years past, I am calling on businesses that can -- to continue to support our Mayor's Summer YouthWorks Program. Last year, more than 385 jobs were provided to our youth in Durham, thanks to continuing support from some of our private companies, public sector institutions and stimulus dollars.

Our goal is to employ at least 250 youth this summer and we need the help of Durham's local businesses. I call on and appeal to, especially those business that have city contracts or have been doing business with the city on a regular basis, to help provide some of those jobs.

I am of the strong opinion that no institution defines a community and its image, more so than its school system. I know as you do, that the City has no direct responsibility in the operation or funding of our public school system.

However, that does not mean that we cannot be supportive of those efforts that will make our public school system stronger, especially for those students who depend on the public school system for their education. One such effort is the "East Durham Children's Initiative" program that shows great promise for addressing the needs our children in the East End neighborhood from cradle through high school and beyond. (Y.E. Smith Elementary School, Neal Middle School and Southern High School are all schools that are within the program area). I would hope that, as a city, we will find meaningful ways to support this program and other promising programs such as "Durham's Partnership for Children's Early Childhood Success Program."

Solid Waste and Transportation Issues

The disposal of solid waste may not be a regional issue and for now it may not be an issue. However in the long term, we in Durham have to find another method of disposing of our solid waste that makes us less dependent on other sources.

Perhaps no other issues will have more impact on our future than transportation and transit. In recognition of that, City Manager Tom Bonfield created a new, city Department of Transportation.

As Durham continues to grow, our transportation challenges will continue to grow as well -- challenges such as addressing congestion, maintaining our attractiveness for new development, promoting alternatives to automobiles, protecting our neighborhoods and the natural environment from the adverse effects of traffic.

In addition, we must strengthen our relationship with other transportation partners in the region. That involves having stable financial resources to expand public transit to increase community mobility, access and connectivity.

In the next few weeks, the administration will brief Council on discussions to explore a management arrangement with Triangle Transit and Durham Area Transit Authority.

While there are certainly many local transportation concerns, transportation is also a regional issue requiring complex coordination among many units of government in the Triangle. This poses a challenge for local elected officials and other community leaders. The current regional rail discussion is one such regional issue. This regional plan is currently under development by the jurisdictions in Wake, Durham and Orange Counties.

One element of the regional transit plan is the concept of local circulators, either rail or bus, that are intended to serve the urban cores, including Chapel Hill, Durham, RTP, Cary and Raleigh. The City of Durham is currently exploring a high quality transit connection between Duke University/Hospital, Downtown Durham and East Durham

that would promote mobility in this corridor.

For transit to be successful, it needs to be convenient and easy to use. One way to accomplish that is to make it fare free. Chapel Hill Transit went fare free several years ago and has seen its ridership more than double. This is something that is under consideration for the Durham transit system as well. For less than one cent on the property tax rate, the transit service currently operated in Durham, DATA, could be provided fare free.

The successful cities of the future will be those that offer their residents transportation choices, that conserve scarce energy resources, that preserve the environment and natural resources, and those that provide mobility options for those who cannot or choose not to drive. Those actions will ultimately result in an improved quality of life for all residents.

Other regional issues that we must now devote more time to, are the regulatory requirements for Jordan and Falls Lakes. It is increasingly important that the City stay engaged, remain vigilant and seek balanced alternatives to current and future storm water regulations that are intended to protect our natural resources but could burden our taxpayers well into the future if poorly designed and implemented.

We must continue to work with our regional partners to reach a solution that is a win-win for the organizations involved, for those who use the lakes as a source for drinking water and for taxpayers.

In speaking about water resources I would be remiss if I did not take a moment to thank our Water Management Department for their leadership and our customers who helped as we went through our most recent drought situation. We must still continue to conserve even though we are no longer in a drought situation.

Closing

A year ago, we were battening down the hatches in anticipation of tough economic challenges of 2009.

Thanks to prudent management of the budget and access to economic stimulus dollars, the City was able to stretch our bond dollars to construct new sidewalks, maintain trails and improve many street intersections.

As importantly, the stimulus dollars enabled us to save or create some 284 jobs. We, as a city, maintained a strong focus on our priorities last year.

This year's budget process promises to be as challenging. Here are the facts as we know them right now – and they all are tied to the economy and unemployment:

- Sales Tax revenues are below expectations;
- Occupancy Tax Revenues (Hotel) are below expectations; and
- Development related revenue, such as permits and fees charges are below expectations.

Even with spending reductions by departments that might have minimal effects on services, we are still looking at a gap of about \$15 million — consisting mostly of growing debt service payments and continuing programs and positions that were funded in prior years.

As with your own household budget, when you spend more than you bring home, the city's options are quite limited: The solution will be service changes, reductions in spending and services or revenue increases.

Finally, in the coming weeks, Council members will be meeting with City administration to determine how best to meet the continuing needs of our community. We strongly invite your input at upcoming Coffee with Council community meetings. You'll find the dates on the City's [Web site](#).

Also, you'll be happy to know that the City is working on its first long-term strategic plan that will help us better develop budgets, allocate resources and provide services to you, Durham residents. It is a huge undertaking in which many of you have been or will be involved.

Even with the slow recovery of the economy, we have so much to be thankful for in Durham. Our unemployment rate is 7.9 percent, compared to the state's overall 11 percent. If you are unemployed or a part of that 7.9%, I can understand if the percentages don't make much difference to you.

But I am optimistic for our city on the whole. And, according to the Durham Convention and Visitor's Bureau image survey conducted last year, you, Durham residents, are too... with 86 percent of the people surveyed saying that you are proud of Durham.

We live in one of the best cities in North Carolina, and indeed, the country, and are blessed with outstanding resources in our universities, our existing businesses and corporations and our nonprofit sector, which have worked

and will continue to work to find solutions to the challenges facing us. Most importantly we are blessed with many, many citizens who care about each other and our city. We will continue to make Durham a place where great things happen.

May God continue to Bless Durham.